

2005 JUN -2 PM 3: 59

JEANNE HICKS, CLERK

BY: 

1 FAVOUR MOORE & WILHELMSSEN, P.A.  
Post Office Box 1391  
2 Prescott, AZ 86302-1391  
Ph: (928)445-2444  
3 David K. Wilhelmsen, #007112  
Marguerite Kirk, #018054

4 Attorneys for Plaintiffs

5  
6 IN THE SUPERIOR COURT OF ARIZONA  
7 COUNTY OF YAVAPAI

8 JOHN B. CUNDIFF and BARBARA C. )  
CUNDIFF, husband and wife; BECKY NASH, )  
9 a married woman dealing with her separate )  
property; KENNETH PAGE and KATHRYN )  
10 PAGE, as Trustee of the Kenneth Page and )  
Kathryn Page Trust, )

11 Plaintiffs, )

12 vs. )

13 DONALD COX and CATHERINE COX, )  
husband and wife, )

14 Defendants. )

Case No. CV 2003-0399

Division 1


PLAINTIFFS' RESPONSE TO  
DEFENDANTS' OBJECTION TO  
PLAINTIFFS' SUBPOENA *DUCES*  
*TECUM*

16  
17 Plaintiffs, John and Barbara Cundiff, Becky Nash, and, Kenneth and Kathryn Page, by and  
18 through undersigned counsel, hereby respond to Defendants' objections to Plaintiffs' subpoena  
19 *duces tecum*.  
20

21 This response is supported by the following memorandum of points and authorities,  
22 attached exhibit, as well as the entire record in this proceeding.  
23  
24  
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26

1 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of June, 2005.

2 FAVOUR MOORE & WILHELMSSEN, P.A.

3  
4 By:   
5 David K. Wilhelmsen  
6 Marguerite Kirk

7  
8 **MEMORANDUM OF POINTS AND AUTHORITIES**

9  
10 **I. Defendants' Mislead the Court as to the Issue**

11 **Presented in Plaintiffs' Discovery Requests**

12 Defendants' counsel mislead the court in its assertion that Plaintiffs' subpoena *duces tecum*  
13 is principally to determine the financial condition of Prescott Valley Growers where "Prescott  
14 Valley Growers' financial condition is not at issue in this case." *Defendants' Objection to*  
15 *Plaintiffs' Subpoena Duces Tecum, at line 5, p.2.* The request for production of Prescott Valley  
16 Grower's tax returns for the period 1998 through 2004 provides relevant and material evidence of  
17 prior statements made by Defendants under oath regarding the characterization and treatment of  
18 the subject property and all improvements thereon. Therefore, the characterization and treatment  
19 of the land itself, as well as the improvements, inventory, equipment and similar items given by  
20 Defendants in their verified business tax returns is highly material evidence on the issue of  
21 whether Defendants have previously made admissions that they are operating a business enterprise  
22 in violation of the recorded covenants  
23  
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1                                   **II. Confidential Financial Information of a Non-party**

2   **Was Previously Voluntarily Disclosed**

3           Defendants' contend that the disclosure of this information would "result in the disclosure  
4 of confidential financial information of a non-party (Prescott Valley Growers) without a showing  
5 of good cause by the Plaintiffs." *Defendants' Objection to Plaintiffs' Subpoena Duces Tecum, at*  
6 *lines 6-9, p.2.* Defendant Catherine Cox admitted, during her deposition, that the property is used  
7 in connection with a partnership she and her husband have with their sons. The purpose of the  
8 partnership is a nursery enterprise. Plaintiffs are thus entitled to obtain Prescott Valley Grower's  
9 tax returns for the period of years 1998 through 2004 to determine how Defendants have  
10 characterized and treated their property in statements made under oath prior to their recent  
11 statements during litigation that they are not operating a business.  
12

13           The tax returns from 1998 through 2004 will provide evidence of whether Defendants are  
14 operating a business enterprise in violation of the recorded covenants. The Defendants contend  
15 that this subpoena would require the partners in Prescott Valley Growers, who are not parties to  
16 this action, to disclose personal financial information. However, personal information regarding  
17 the financial situation of these non-party partners was previously, voluntarily, disclosed by  
18 opposing counsel. Defendants disclosed the K-1's of Alan Cox and James Cox. (*True and*  
19 *correct copies attached hereto and by this reference incorporated herein as Exhibit "1"*). The  
20 requested tax returns will not disclose any additional personal financial information. However,  
21 Plaintiffs' counsel are willing to follow a similar procedure as was set forth in this Court's minute  
22 entry dated January 31, 2005, "not to disseminate [the financial information] to Plaintiffs or  
23 anyone else without further Court order."  
24  
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1                                   **III. Previously Disclosed Material is Insufficient**

2           This critical evidence cannot be obtained from any other source. Defendants assert that the  
3 previously provided K-1's contain "the information related to Defendants' interest in Prescott  
4 Valley Growers that is contained in the tax returns and financial documentation requested.  
5 *Defendants' Objection to Plaintiffs' Subpoena Duces Tecum, at lines 19-20, p. 2.* However, this  
6 documentation does not establish how Defendants have characterized their property and  
7 improvements in prior statements made under oath and penalty of perjury to the U.S. Treasury  
8 Department. The documents that would contain this information are the business tax returns of  
9 Prescott Valley Growers.  
10

11  
12                                   **IV. Plaintiff's Subpoena Duces Tecum is Limited in Scope**

13           Plaintiffs' request for tax returns from the period of years 1998 through 2004 is neither  
14 vague nor ambiguous. Defendants contend that Plaintiffs' request is not "sufficiently limited to  
15 only those items directly relation to the real property at issue in this case." *Defendants' Objection*  
16 *to Plaintiffs' Subpoena Duces Tecum, at lines 9-10, p. 3.* This request cannot be further limited.  
17 Plaintiffs request is limited to the tax returns for only the years in question, 1998 through 2004.  
18 These documents are directly related to the real property at issue in this case in that they contain  
19 evidence on the issue of whether Defendants are operating a business enterprise on in violation of  
20 the recorded covenants.  
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**V. Conclusion**

Therefore, Plaintiffs respectfully request that this Court enter its order requiring Defendants to produce full and complete copies of the income tax returns from Prescott Valley Growers from 1998 through present as requested in Plaintiffs' subpoena *duces tecum*. Plaintiffs also request that this Court award them their attorney's fees incurred in attempting to resolve this discovery dispute with Defendants' counsel, and in the bringing of this response.

DATED this 1<sup>st</sup> day of June, 2005.

FAVOUR MOORE & WILHELMSSEN, P.A.

By:   
David K. Wilhelmsen  
Marguerite Kirk  
Post Office Box 1391  
Prescott, Arizona 86302-1391  
Attorneys for Plaintiffs

2<sup>nd</sup>  
Original of the foregoing filed  
this 1<sup>st</sup> day of June, 2005  
with:

Clerk, Superior Court of Arizona  
Yavapai County  
Prescott, Arizona

2<sup>nd</sup>  
A copy hand-delivered this 1<sup>st</sup> day  
of June, 2005 to:

Honorable David L. Mackey  
Division One  
Superior Court of Arizona  
Yavapai County  
Prescott, Arizona

2<sup>nd</sup>  
and, a copy mailed this 1<sup>st</sup> day  
of June, 2005 to:

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Mark Drutz  
Jeffrey Adams  
MUSGROVE, DRUTZ & KACK, P.C.  
1135 Iron Springs Road  
Prescott, Arizona 86302  
Attorneys for Defendants Cox

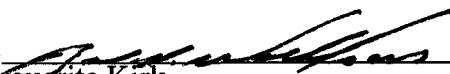
By:   
Marguerite Kirk

EXHIBIT "1"

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Schedule K-1****(Form 1065)**Department of the Treasury  
Internal Revenue ServiceTax year beginning JAN 01, 2004  
and ending DEC 31, 20 04**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number  
86-0708195**B** Partnership's name, address, city, state, and ZIP code  
PRESCOTT VALLEY GROWERS12423 EAST DOUBLETREE RANCH ROAD  
SCOTTSDALE AZ 85259**C** IRS Center where partnership filed return  
OGDEN**D** ☐ Check if this is a publicly traded partnership (PTP)**E** ☐ Tax shelter registration number, if any**F** ☐ Check if Form 8271 is attached**Part II Information About the Partner****G** Partner's identifying number  
527-15-9979**H** Partner's name, address, city, state, and ZIP code  
ALAN COX6750 N ROBERT ROAD  
PRESCOTT VALLEY AZ 86314**I** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**J** ☒ Domestic partner ☐ Foreign partner**K** What type of entity is this partner? INDIVIDUAL**L** Partner's share of profit, loss, and capital:

|         | Beginning | Ending   |
|---------|-----------|----------|
| Profit  | 25.000 %  | 25.000 % |
| Loss    | 25.000 %  | 25.000 % |
| Capital | 7.063 %   | 9.392 %  |

**M** Partner's share of liabilities at year end:

|                                 |    |  |
|---------------------------------|----|--|
| Nonrecourse                     | \$ |  |
| Qualified nonrecourse financing | \$ |  |
| Recourse                        | \$ |  |

**N** Partner's capital account analysis:

|                                     |    |          |
|-------------------------------------|----|----------|
| Beginning capital account           | \$ | 64,567.  |
| Capital contributed during the year | \$ |          |
| Current year increase (decrease)    | \$ | 57,434.  |
| Withdrawals & distributions         | \$ | 16,408.  |
| Ending capital account              | \$ | 105,593. |

☒ Tax basis ☐ GAAP ☐ Section 704(b) book  
☐ Other (explain)
**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

|   |  |
|---|--|
| <b>1</b> Ordinary business income (loss)      | <b>15</b> Credits & credit recapture                   |
| 62,122.                                       |  |
| <b>2</b> Net rental real estate income (loss) |  |
| <b>3</b> Other net rental income (loss)       | <b>16</b> Foreign transactions                         |
| <b>4</b> Guaranteed payments                  |  |
| <b>5</b> Interest income                      |  |
| 1,021.  |  |
| <b>6 a</b> Ordinary dividends                 |  |
| <b>6 b</b> Qualified dividends                |  |
| <b>7</b> Royalties                            |  |
| <b>8</b> Net short-term capital gain (loss)   |  |
| <b>9 a</b> Net long-term capital gain (loss)  | <b>17</b> Alternative minimum tax (AMT) items          |
| <b>9 b</b> Collectibles (28%) gain (loss)     | A 884.   |
| <b>9 c</b> Unrecaptured section 1250 gain     |  |
| <b>10</b> Net section 1231 gain (loss)        | <b>18</b> Tax-exempt income and nondeductible expenses |
| <b>11</b> Other income (loss)                 |  |
| <b>12</b> Section 179 deduction               | <b>19</b> Distributions                                |
| 5,246.  | A 16,408.  |
| <b>13</b> Other deductions                    | <b>20</b> Other information                            |
| A 463.  |  |
| <b>14</b> Self-employment earnings (loss)     |  |
| A 62,122.                                     |  |
| C 138,772.                                    |  |

\*See attached statement for additional information.

For IRS Use Only



Partner: ALAN COX

25.000 %

ID: 527-15-9979

1 Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:

Passive loss Enter on  
Passive income See the Partner's Instr.  
Nonpassive loss Sch. E, line 28, column (g)  
Nonpassive income Sch. E, line 28, column (h)  
2 Net rental real estate income (loss) Sch. E, line 28, column (j)  
3 Other net rental income (loss) See the Partner's Instr.  
Net income Sch. E, line 28, column (g)  
Net loss See the Partner's Instr.  
4 Guaranteed payments Sch. E, line 28, column (j)

5 Interest income  
6a Ordinary dividends  
6b Qualified dividends  
7 Royalties  
8 Net short-term capital gain (loss)  
9a Net long-term capital gain (loss)  
9b Collectibles (28%) gain (loss)  
9c Unrecaptured section 1250 gain  
10 Net section 1231 gain (loss)

Enter on  
Form 1040, line 8a  
Form 1040, line 9a  
Form 1040, line 9b  
Schedule E, line 4  
Sch. D, line 5, column (f)  
Sch. D, line 12, column (f)  
28% Rate Gain Worksheet,  
line 4 (Sch. D instructions)  
See the Partner's Instr.

|     |  |          |
|-----|--|----------|
| 10a | Unrecaptured section 1250 gain for lines 10 and 11b                        |          |
| 11a | Other portfolio income (loss)  |          |
| b   | Involuntary conversions  |          |
| (1) | Form 4684 at 28% rate  |          |
| c   | 1256 contracts and straddles   |          |
| d   | Mining exploration costs recapture   |          |
| e   | Cancellation of debt   |          |
| f   | Other income (loss)  |          |
| (1) | Type and amount  |          |
| (2) | PTP income from other partnerships   |          |
| 12a | Section 179 deduction for ordinary income or loss                          | 5,246.   |
| b   | Section 179 deduction for rental real estate income or loss                |          |
| 13a | Cash contributions - 50%   | 463.     |
| b   | Cash contributions - 30%   |          |
| c   | Noncash contributions - 50%  |          |
| d   | Noncash contributions - 30%  |          |
| e   | Cap. gain property to a 50% org. - 30%                                     |          |
| f   | Capital gain property - 20%  |          |
| g   | Deductions - 2% floor  |          |
| h   | Deductions - other   |          |
| i   | Investment interest expense  |          |
| j   | Deductions - royalty income  |          |
| k   | Section 59(e)(2) expenditures  |          |
| l   | Amounts paid for medical insurance   |          |
| m   | Educational assistance benefits  |          |
| n   | Dependent care benefits  |          |
| o   | Preproductive period expenses  |          |
| p   | Commercial revitalization deduction from rental real estate                |          |
| q   | Penalty on early withdrawal of savings                                     |          |
| r   | Pensions and IRAs  |          |
| s   | Reforestation expense deduction  |          |
| t   | Other deductions Form 4684, line 32  |          |
| 14a | Net earnings (loss) from self-employment                                   | 62,122.  |
| b   | Gross farming or fishing income  |          |
| c   | Gross nonfarm income   | 138,772. |
| 15  | Credits and credit recapture - enter on the form and line indicated below. |          |
| a   | Low-income housing credit - section 42(j)(5)), Form 8586                   |          |
| b   | Low-income housing credit - other, Form 8586                               |          |
| c   | Qualified rehabilitation expenditures, rental real estate                  |          |
| d   | Qualified rehabilitation expenditures, other than rental real estate       |          |
|     | Form 3468, line 1b, qualified expenditures                                 |          |
|     | Form 3468, line 1c, qualified expenditures                                 |          |
| e   | Basis of energy property, Form 3468  |          |
| f   | Qualified timber property, Form 3468                                       |          |
| g   | Other rental real estate credits   |          |
| h   | Other rental credits   |          |
| i   | Undistributed capital gains credit   |          |
| j   | Form 5884  |          |
| k   | Form 8861  |          |
| l   | Form 8826  |          |
| m   | Form 8844  |          |
| n   | Form 8884  |          |
| o   | Form 8874  |          |
| p   | Form 8846  |          |
| q   | Backup withholding   |          |
| r   | Recapture of low-income housing credit, section 42(j)(5)) applies          |          |
| s   | Recapture of low-income housing credit - other                             |          |
| t   | Recapture of investment credit   |          |
| u   | Other credits - see information below                                      |          |
|     | Form 3468, line 1e, credit from an electing large partnership              |          |
|     | Form 3468, line 4, credit from cooperatives                                |          |
|     | Form 6478  |          |
|     | Form 6765  |          |
|     | Form 8820  |          |
|     | Form 8830  |          |
|     | Form 8834  |          |
|     | Form 8882  |          |
|     | Form 8845  |          |
|     | Form 8847  |          |
|     | Form 8881  |          |
|     | Form 8835A   |          |
|     | Form 8835B   |          |
|     | Nonconventional source fuel  |          |
| v   | Recapture of other credits   |          |

Partner: ALAN COX

25.000 % ID: 527-15-9979

|           |  |  |
|-----------|--|--|
| <b>16</b> | Foreign transactions   |  |
| a         | Name of foreign country or U.S. possession .....   |  |
| b         | Gross income from all sources .....  |  |
| c         | Gross income sourced at shareholder level .....  |  |
|           | Foreign gross income sourced at partnership level .....                                  |  |
| d         | Passive .....  |  |
| e         | Listed categories .....  |  |
| f         | General limitation .....   |  |
|           | Deductions allocated and apportioned at partner level .....                              |  |
| g         | Interest expense .....   |  |
| h         | Other .....  |  |
|           | Deductions allocated and apportioned at partnership level to foreign source income ..... |  |
| i         | Passive .....  |  |
| j         | Listed categories .....  |  |
| k         | General limitation .....   |  |
|           | Other information .....  |  |
| l         | Foreign taxes paid .....   |  |
| m         | Foreign taxes accrued .....  |  |
| n         | Reduction in taxes available for credit .....  |  |
| o         | Foreign trading gross receipts .....   |  |
| p         | Extraterritorial income exclusion .....  |  |
| q         | Other foreign transactions .....   |  |
| <b>17</b> | Alternative minimum tax (AMT) items  |  |
| a         | Post-1986 depreciation adjustment  |  |
|           | Ordinary income 884 . Rental 884 .   |  |
| b         | Adjusted gain or loss  |  |
|           | Ordinary income Rental   |  |
| c         | Depletion other than oil and gas .....   |  |
| d         | Oil, gas, and geothermal properties - gross income .....                                 |  |
| e         | Oil, gas, and geothermal properties - deductions .....                                   |  |
| f         | Other AMT items. Pre-1987 depreciation adjustment included in line 17f                   |  |
|           | Ordinary income Rental   |  |
|           | Other - type Amount  |  |
| <b>18</b> | Tax-exempt income and nondeductible expenses   |  |
| a         | Tax-exempt interest income .....   |  |
| b         | Other tax-exempt income .....  |  |
| c         | Nondeductible expenses .....   |  |
| <b>19</b> | Distributions of cash and marketable securities 16,408 .                                 |  |
| b         | Distributions of other property .....  |  |
| <b>20</b> | Other information  |  |
| a         | Investment income .....  |  |
| b         | Investment expenses .....  |  |
| c         | Fuel tax credit information .....  |  |
| d         | Look-back interest - completed long-term contracts .....                                 |  |
| e         | Look-back interest - income forecast method .....  |  |
| f         | Dispositions of property with section 179 deductions .....                               |  |
| g         | Recapture of section 179 deduction .....   |  |
| h         | Special basis adjustments .....  |  |
| i         | Section 453(i)(3) information .....  |  |
| j         | Section 453A(c) information .....  |  |
| k         | Section 1260(b) information .....  |  |
| l         | Interest allocable to production expenditures .....                                      |  |
| m         | CCF nonqualified withdrawal .....  |  |
| n         | Information needed to figure depletion - oil and gas .....                               |  |
| o         | Reforestation costs .....  |  |
| p         | Unrelated business taxable income .....  |  |
| q         | Other information .....  |  |

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

Tax year beginning **2004**  
JAN 01, 2004  
and ending **DEC 31, 20 04**

**Partner's Share of Income, Deductions, Credits, etc.** ▶ See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
86-0708195

**B** Partnership's name, address, city, state, and ZIP code  
PRESCOTT VALLEY GROWERS

12423 EAST DOUBLETREE RANCH ROAD  
SCOTTSDALE AZ 85259

**C** IRS Center where partnership filed return  
OGDEN

**D** ☐ Check if this is a publicly traded partnership (PTP)

**E** ☐ Tax shelter registration number, if any

**F** ☐ Check if Form 8271 is attached

**Part II Information About the Partner**

**G** Partner's identifying number  
526-49-1301

**H** Partner's name, address, city, state, and ZIP code  
JAMES COX

6750 N ROBERT ROAD  
PRESCOTT VALLEY AZ 86314

**I** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

**J** ☒ Domestic partner ☐ Foreign partner

**K** What type of entity is this partner? INDIVIDUAL

**L** Partner's share of profit, loss, and capital:

|         | Beginning | Ending   |
|---------|-----------|----------|
| Profit  | 25.000 %  | 25.000 % |
| Loss    | 25.000 %  | 25.000 % |
| Capital | 9.504 %   | 12.550 % |

**M** Partner's share of liabilities at year end:

Nonrecourse .....\$  
Qualified nonrecourse financing .....\$  
Recourse .....\$

**N** Partner's capital account analysis:

Beginning capital account .....\$ 86,884.  
Capital contributed during the year....\$  
Current year increase (decrease).....\$ 57,434.  
Withdrawals & distributions .....\$ 3,226.  
Ending capital account .....\$ 141,092.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book  
☐ Other (explain)

☐ Final K-1

☐ Amended K-1

6511  
OMB No. 1545-0099

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

|  |   |
|--|---|
| <b>1</b> Ordinary business income (loss)<br>62,122.                  | <b>15</b> Credits & credit recapture                    |
| <b>2</b> Net rental real estate income (loss)                        |   |
| <b>3</b> Other net rental income (loss)                              | <b>16</b> Foreign transactions                          |
| <b>4</b> Guaranteed payments   |   |
| <b>5</b> Interest income<br>1,021.                                   |   |
| <b>6 a</b> Ordinary dividends  |   |
| <b>6 b</b> Qualified dividends                                       |   |
| <b>7</b> Royalties   |   |
| <b>8</b> Net short-term capital gain (loss)                          |   |
| <b>9 a</b> Net long-term capital gain (loss)                         | <b>17</b> Alternative minimum tax (AMT) items<br>A 884. |
| <b>9 b</b> Collectibles (28%) gain (loss)                            |   |
| <b>9 c</b> Unrecaptured section 1250 gain                            |   |
| <b>10</b> Net section 1231 gain (loss)                               | <b>18</b> Tax-exempt income and nondeductible expenses  |
| <b>11</b> Other income (loss)  |   |
| <b>12</b> Section 179 deduction<br>5,246.                            | <b>19</b> Distributions<br>A 3,226.                     |
| <b>13</b> Other deductions<br>A 463.                                 | <b>20</b> Other information                             |
| <b>14</b> Self-employment earnings (loss)<br>A 62,122.<br>C 138,772. |   |

\*See attached statement for additional information.

For IRS Use Only

Partner: JAMES COX

25.000 % ID: 526-49-1301

1 Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:

Passive income  
Nonpassive income  
2 Net rental real estate income (loss)  
3 Other net rental income (loss)  
Net income  
Net loss  
4 Guaranteed payments

Enter on  
See the Partner's Instr.  
Sch. E, line 28, column (g)  
Sch. E, line 28, column (f)  
Sch. E, line 28, column (j)  
Sch. E, line 28, column (g)  
See the Partner's Instr.  
Sch. E, line 28, column (j)

5 Interest income  
6a Ordinary dividends  
6b Qualified dividends  
7 Royalties  
8 Net short-term capital gain (loss)  
9a Net long-term capital gain (loss)  
9b Collectibles (28%) gain (loss)  
9c Unrecaptured section 1250 gain  
10 Net section 1231 gain (loss)

Enter on  
Form 1040, line 8a  
Form 1040, line 9a  
Form 1040, line 9b  
Schedule E, line 4  
Sch. D, line 5, column (f)  
Sch. D, line 12, column (f)  
28% Rate Gain Worksheet,  
line 4 (Sch. D instructions)  
See the Partner's Instr.  
See the Partner's Instr.

10a Unrecaptured section 1250 gain for lines 10 and 11b

11a Other portfolio income (loss)

b Involuntary conversions

(1) Form 4684 at 28% rate

c 1256 contracts and straddles

d Mining exploration costs recapture

e Cancellation of debt

f Other income (loss)

(1) Type and amount

(2) PTP income from other partnerships

12a Section 179 deduction for ordinary income or loss

b Section 179 deduction for rental real estate income or loss

13a Cash contributions - 50% 463

b Cash contributions - 30%

c Noncash contributions - 50%

d Noncash contributions - 30%

e Cap. gain property to a 50% org. - 30%

f Capital gain property - 20%

g Deductions - 2% floor

h Deductions - other

i Investment interest expense

j Deductions - royalty income

k Section 59(e)(2) expenditures

l Amounts paid for medical insurance

m Educational assistance benefits

n Dependent care benefits

o Preproductive period expenses

p Commercial revitalization deduction  
from rental real estate

q Penalty on early withdrawal of savings

r Pensions and IRAs

s Reforestation expense deduction

t Other deductions

Form 4684, line 32

14a Net earnings (loss) from self-employment

b Gross farming or fishing income

c Gross nonfarm income

15 Credits and credit recapture - enter on the form and line indicated below.

a Low-income housing credit - section 42(j)(5)), Form 8586

b Low-income housing credit - other, Form 8586

c Qualified rehabilitation expenditures, rental real estate

d Qualified rehabilitation expenditures, other than rental real estate

Form 3468, line 1b, qualified expenditures

Form 3468, line 1c, qualified expenditures

e Basis of energy property, Form 3468

f Qualified timber property, Form 3468

g Other rental real estate credits

h Other rental credits

i Undistributed capital gains credit

j Form 5884

l Form 8826

n Form 8884

p Form 8846

k Form 8861

m Form 8844

o Form 8874

q Backup  
withholding

r Recapture of low-income housing credit, section 42(j)(5)) applies

s Recapture of low-income housing credit - other

t Recapture of investment credit

u Other credits - see information below

Form 3468, line 1e, credit from an electing large partnership

Form 3468, line 4, credit from cooperatives

Form 6478

Form 8830

Form 8845

Form 8835A

Form 6765

Form 8834

Form 8847

Form 8835B

Form 8820

Form 8882

Form 8881

Nonconventional source fuel

v Recapture of other credits

Partner: JAMES COX

25.000

%

ID:

526-49-1301

|    |  |        |  |        |
|----|--|--------|--|--------|
| 16 | Foreign transactions   |        |  |        |
| a  | Name of foreign country or U.S. possession   |        |  |        |
| b  | Gross income from all sources  |        |  |        |
| c  | Gross income sourced at shareholder level  |        |  |        |
|    | Foreign gross income sourced at partnership level                                  |        |  |        |
| d  | Passive  |        |  |        |
| e  | Listed categories  |        |  |        |
| f  | General limitation   |        |  |        |
|    | Deductions allocated and apportioned at partner level                              |        |  |        |
| g  | Interest expense   |        |  |        |
| h  | Other  |        |  |        |
|    | Deductions allocated and apportioned at partnership level to foreign source income |        |  |        |
| i  | Passive  |        |  |        |
| j  | Listed categories  |        |  |        |
| k  | General limitation   |        |  |        |
|    | Other information  |        |  |        |
| l  | Foreign taxes paid   |        |  |        |
| m  | Foreign taxes accrued  |        |  |        |
| n  | Reduction in taxes available for credit  |        |  |        |
| o  | Foreign trading gross receipts   |        |  |        |
| p  | Extraterritorial income exclusion  |        |  |        |
| q  | Other foreign transactions   |        |  |        |
| 17 | Alternative minimum tax (AMT) items  |        |  |        |
| a  | Post-1986 depreciation adjustment  |        |  |        |
|    | Ordinary income 884.   | Rental |  | 884.   |
| b  | Adjusted gain or loss  |        |  |        |
|    | Ordinary income  | Rental |  |        |
| c  | Depletion other than oil and gas   |        |  |        |
| d  | Oil, gas, and geothermal properties - gross income                                 |        |  |        |
| e  | Oil, gas, and geothermal properties - deductions                                   |        |  |        |
| f  | Other AMT items. Pre-1987 depreciation adjustment included in line 17f             |        |  |        |
|    | Ordinary income  | Rental |  |        |
|    | Other - type   | Amount |  |        |
| 18 | Tax-exempt income and nondeductible expenses                                       |        |  |        |
| a  | Tax-exempt interest income   |        |  |        |
| b  | Other tax-exempt income  |        |  |        |
| c  | Nondeductible expenses   |        |  |        |
| 19 | a Distributions of cash and marketable securities                                  |        |  | 3,226. |
|    | b Distributions of other property  |        |  |        |
| 20 | Other information  |        |  |        |
| a  | Investment income  |        |  |        |
| b  | Investment expenses  |        |  |        |
| c  | Fuel tax credit information  |        |  |        |
| d  | Look-back interest - completed long-term contracts                                 |        |  |        |
| e  | Look-back interest - income forecast method  |        |  |        |
| f  | Dispositions of property with section 179 deductions                               |        |  |        |
| g  | Recapture of section 179 deduction   |        |  |        |
| h  | Special basis adjustments  |        |  |        |
| i  | Section 453(l)(3) information  |        |  |        |
| j  | Section 453A(c) information  |        |  |        |
| k  | Section 1260(b) information  |        |  |        |
| l  | Interest allocable to production expenditures                                      |        |  |        |
| m  | CCF nonqualified withdrawal  |        |  |        |
| n  | Information needed to figure depletion - oil and gas                               |        |  |        |
| o  | Reforestation costs  |        |  |        |
| p  | Unrelated business taxable income  |        |  |        |
| q  | Other information  |        |  |        |